

**FUTURE OF THE NORTH CAROLINA RAILROAD
STUDY COMMISSION**



**REPORT TO THE
2000 SESSION OF THE
1999 GENERAL ASSEMBLY
OF NORTH CAROLINA**

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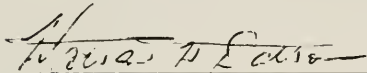
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April 27, 2000

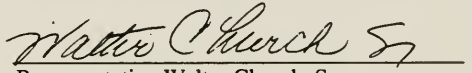
TO THE MEMBERS OF THE GENERAL ASSEMBLY:

Attached for your consideration is the report to the 1999 General Assembly (Regular Session 2000) on the Future of the North Carolina Railroad. This report was prepared by the Future of the North Carolina Railroad Study Commission pursuant to Section 27.25 of S.L. 1999-237.

Respectfully submitted,



Senator Walter H. Dalton



Representative Walter Church, Sr.

Cochairs

Future of the North Carolina Railroad Study Commission

Committee Proceedings

Meeting on February 4, 2000

The first meeting of the Commission was held on February 4, 2000 at 10:00 a.m. in Room 1228 of the Legislative Building in Raleigh. The Commission heard introductory remarks from the co-chairs, a brief chronology of the recent history of the North Carolina Railroad from Bob Weiss of the Fiscal Research Staff, an overview of the Operations and needs of the North Carolina Railroad from NCRR President Sam Hunt, and a presentation on the Triangle Transit Authority from Jim Ritchey, General Manager.

Meeting on March 6, 2000

The second meeting of the Commission was held on March 6, 2000 at 1:00 p.m. at the Charlotte-Mecklenburg Government Center. The Commission heard remarks from Boyd Cauble on the Charlotte Transit system, from David King, NCDOT, on the Department's transit related programs, and from Amtrak.

Meeting on March 27, 2000

The third meeting of the Commission was held on March 27, 2000 at 1:00 p.m. at the Grove Park Inn in Asheville. The Commission heard presentations from several persons advocating passenger rail service to Asheville. In addition, the Commission heard presentations from Norfolk Southern and CSX railroads, from the NC Department of Commerce, and from Amtrak.

Meeting on April 27, 2000

The fourth meeting of the Commission was held on April 27, 2000 at 9:30 a.m. in Room 1425 of the Legislative Building. The Commission discussed and approved the attached proposed legislation.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

S/H

D

99-DLK/RW-500.2

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

Short Title: NCRR Amendments.

(Public)

Sponsors: Senator Dalton/Representative Church.

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE FUTURE OF THE
3 NORTH CAROLINA RAILROAD STUDY COMMISSION.

4 Whereas, during the 1997 Session of the General Assembly the
5 State provided funds to buy the stock of all of the private
6 shareholders so that the railroad right-of-way could be preserved
7 as a Company asset for future economic growth; and

8 Whereas, the North Carolina Railroad Company, is a private
9 corporation, with all of the voting stock owned by the State of
10 North Carolina and all of the members of the Board of Directors
11 appointed by the Governor and the General Assembly; and

12 Whereas, as a private corporation the North Carolina Railroad
13 Company is uniquely situated to respond to the needs of the State
14 and to quickly and efficiently develop transportation and
15 economic development improvements for the State; and

16 Whereas, certain statutory amendments are critically necessary
17 for the North Carolina Railroad Company to fulfill its potential
18 for the benefit of the State of North Carolina and its people;
19 Now, therefore

20 The General Assembly of North Carolina enacts:

21 Section 1. Section 54 of Chapter 82 of the Laws of
22 1848-49, as added by Chapter 1046 of the 1951 Session Laws, and
23 as amended by subsection (d) of Section 32.30 of S.L. 1997-443,
24 reads as rewritten:

1 "No stock owned by the State of North Carolina in the North
2 Carolina Railroad Company shall be sold or transferred except
3 with the prior consent of the General Assembly, except as part of
4 a transaction or series of transactions relating to (i) a plan of
5 merger or consolidation of that company with another company, and
6 where the State will be the owner of all of the voting stock in
7 the merged or consolidated ~~corporation~~ corporation; (ii) a
8 transfer of the stock of that company to a corporation, limited
9 liability company, or any other entity that is wholly owned by
10 the State; or (iii) the reorganization of that company."

11 Section 2. Notwithstanding the provisions of G.S. 136-
12 16.6, in order to increase the capital of the North Carolina
13 Railroad Company, any dividends of the North Carolina Railroad
14 Company received by the State shall be applied to reduce the
15 obligations described in subsection (c) of Section 32.30 of S.L.
16 1997-443, as amended by subsection (d) of Section 27.11 of S.L.
17 1999-237. Any dividends of the North Carolina Railroad Company
18 received by the State shall be used by the Department of
19 Transportation for the improvement of the property of the North
20 Carolina Railroad as recommended and approved by the Board of
21 Directors of the North Carolina Railroad Company.

22 Section 3. Effective January 1, 2000, interest shall not
23 be accrued or otherwise charged on the remaining balance of the
24 obligations described in subsection (c) of Section 32.30 of S.L.
25 1997-443, as amended by subsection (d) of Section 27.11 of S.L.
26 1999-237. Interest accrued on those obligations relating to
27 periods prior to January 1, 2000, shall be deemed paid and
28 contributed by the State to the capital of the North Carolina
29 Railroad Company.

30 Section 4. G.S. 124-1 reads as rewritten:
31 "~~\$ 124-1. Governor and Council to control~~ Control of internal
32 improvements.

33 The Governor and Council of State shall have charge of all the
34 State's interest in all railroads, canals and other works of
35 internal improvements. The Board of Directors of a State-owned
36 railroad company, as defined in G.S. 124-11, shall be responsible
37 for managing its affairs and for reporting as set forth in G.S.
38 124-3."

39 Section 5. G.S. 124-2 is repealed.

40 Section 6. G.S. 124-3 reads as rewritten:

41 "~~\$ 124-3. Report of railroad, canal, etc.; contents.~~

42 The president or other chief officer of every railroad, canal,
43 or other public work of internal improvement in which the State
44 owns an interest, shall, ~~when required to do so by the Governor,~~

1 report annually to the Joint Legislative Commission on
2 Governmental Operations. make or cause to be made to the Governor
3 and Council of State a written report of its affairs. This
4 report shall show:

- 5 (1) Number of shares owned by the State.
- 6 (2) Number of shares owned otherwise.
- 7 (3) Face Par value of such the shares.
- 8 (4) Market value of each of such shares.
- 9 (5) Amount of bonded debt, and for what purpose
10 contracted.
- 11 (6) Amount of other debt, and how incurred.
- 12 (7) If interest on bonded debt has been punctually
13 paid as agreed; if not, how much in arrears.
- 14 (8) Amount of gross receipts for past year, and from
15 what sources derived.
- 16 (9) An itemized account of expenditures for past year.
- 17 (10) Any lease or sale of said property, or any part
18 thereof, to whom made, for what consideration, and
19 for what length of time.
- 20 (11) Suits at law pending against his company
21 concerning its bonded debt, or in which title to
22 all or any part of such road or canal is
23 concerned.
- 24 (12) Any sales of stock owned by the State, by whose
25 order made, and disposition of the proceeds.
- 26 (4) Annual financial statements, including notes,
27 audited by an independent certified public
28 accounting firm.
- 29 (5) Any sales of stock owned by the State, by whose
30 order made, and disposition of the proceeds.
- 31 (6) Acquisitions or dispositions of real property
32 since the last report.

33 Any person failing to report as required by this section shall
34 be guilty of a Class 1 misdemeanor."

35 Section 7. G.S. 124-4 is repealed.

36 Section 8. G.S. 124-5 reads as rewritten:

37 "§ 124-5. Approval of encumbrance on State's interest in
38 corporations.

39 (a) No corporation or company in which the State owns the
40 majority of any class of voting stock shall sell, lease,
41 mortgage, or otherwise encumber its franchise, right-of-way, or
42 other property, except by and with the approval and consent of
43 the Governor and Council of State.

1 (b) No State-owned railroad company, as defined in G.S. 124-11,
2 shall sell, lease, mortgage, or otherwise encumber its franchise,
3 right-of-way, or other property, except by and with the approval
4 and consent of the Board of Directors of that corporation. The
5 president or other chief officer shall report these acquisitions
6 and dispositions in accordance with G.S. 124-3(6)."

7 Section 9. Sections 124-1 through 124-7 of Chapter 124
8 of the General Statutes are recodified as Article 1 of that
9 Chapter to be entitled "Internal Improvements."

10 Section 10. Chapter 124 of the General Statutes is
11 amended by adding a new Article to read:

12 "Article 2.

13 "State-Owned Railroad Company.

14 "§ 124-11. Definition.

15 'State-owned railroad company' --A railroad company in which
16 the State owns all of the voting stock.

17 "§ 124-12. Powers of a State-owned Railroad Company.

18 A State-owned railroad company shall have, in addition to the
19 powers of any railroad corporation, the power to:

20 (1) Lease, license, or improve property.-- A State-
21 owned railroad company may lease, license, or
22 improve its right-of-way and property, whether
23 held by easement, presumptive grant, express
24 grant, or otherwise, for any purpose. Any use or
25 improvement authorized by a State-owned railroad
26 company shall be presumed to be for the purpose of
27 preserving and protecting its railroad corridor
28 and franchise.

29 (2) Condemnation in fee simple.--A State-owned
30 railroad company may exercise the power of eminent
31 domain to acquire property in fee simple for the
32 purposes specified in G.S. 40A-3(a)(4). Exercise
33 of the power granted pursuant to this section
34 shall be in accordance with the procedures of
35 Article 2 of Chapter 40A of the General Statutes.
36 Title to and right of possession of property
37 acquired pursuant to this section shall vest in
38 accordance with G.S. 40A-42(a)."

39 "§ 124-13. Effect on State-owned railroad company charter.

40 Nothing in this Article repeals or modifies any State-owned
41 Company charter."

42 Section 11. Chapter 136 of the General Statutes is
43 amended by adding a new section to read:

44 "§ 136-199. Property interest of a State-owned railroad company.

1 In the absence of clear and unambiguous language to the
2 contrary, a conveyance of property or presumptive grant to a
3 State-owned railroad company shall be presumed to include all
4 subsurface rights below and all air rights above the property."

5 Section 12. G.S. 40A-5(a) reads as rewritten:

6 "(a) A condemnor listed in G.S. 40A-3(a), (b) or (c) shall not
7 possess the power of eminent domain with respect to property
8 owned by the State of North Carolina or a State-owned railroad as
9 defined in G.S.124-11 unless the State consents to the taking.
10 The State's consent shall be given by the Council of State, or by
11 the Secretary of Administration if the Council of State delegates
12 this authority to ~~him~~ the Secretary. In a condemnation
13 proceeding against State property consented to by the State, the
14 only issue shall be the compensation to be paid for the
15 property."

16 Section 13. G.S. 62-180 reads as rewritten:

17 "§ 62-180. Use of railroads and public highways.

18 Any person operating electric power, telegraph or telephone
19 lines or authorized by law to establish ~~such those~~ lines, has the
20 right to construct, maintain and operate ~~such those~~ lines along
21 any railroad or public highway, but ~~such those~~ lines shall be so
22 constructed and maintained as not to obstruct or hinder
23 unreasonably the usual travel on ~~such the~~ railroad or highway.
24 Any right to construct, maintain, and operate these lines along
25 any railroad shall be acquired only by agreement or eminent
26 domain as provided in G.S. 62-185."

27 Section 14. Chapter 124 of the General Statutes is
28 amended by adding a new Article to read:

29 "Article 3.

30 "Summary Removal of Encroachments.

31 "§ 124-21. Procedure for summary removal of encroachments upon
32 railroad property.

33 Any encroachment upon (i) State-owned railroad company
34 property, as defined in G.S. 124-11, or (ii) the use or occupancy
35 of State-owned railroad company property, without the express
36 permission of the State-owned railroad company and after written
37 demand is made upon the encroaching party for removal of the
38 encroachment, may be removed from the State-owned railroad
39 company property in the manner prescribed in this Article. The
40 written demand made upon the encroaching party required by this
41 section shall include a copy of this Article and shall be
42 delivered certified mail return receipt requested to the last
43 known address of the encroaching party.

44 "§ 124-22. Filing of complaint.

1 The State-owned railroad Company shall file a complaint for the
2 removal of the encroachment with the Clerk of Superior Court in
3 the county in which the encroachment exists. If the encroachment
4 exists in more than one county, the State-owned railroad company
5 may file in any county where any of the encroachments exist for
6 the removal of encroachments owned or operated by the same
7 defendant.

8 "§ 124-23. Summons Issued by the Clerk of Superior Court.

9 When the State-owned railroad company files a complaint
10 pursuant to this Article, and requests the Clerk to issue an
11 order for the removal of any encroachment from State-owned
12 railroad company property, the Clerk shall issue a summons, along
13 with a copy of this Article, requiring the defendant to appear at
14 a certain time and place not to exceed sixty days from the
15 service of the summons to answer the complaint. The State-owned
16 railroad company shall not claim damages for the encroachment or
17 the removal of the encroachment in this proceeding but may seek
18 that recovery by separate action in a court of competent
19 jurisdiction.

20 "§ 124-24. Service of Summons.

21 The summons shall be served in accordance with Rule 4 of the
22 North Carolina Rules of Civil Procedure.

23 "§ 124-25. Judgment by confession or where State-owned railroad
24 Company has proved case.

25 The summons shall be returned according to its tenor, and if on
26 its return it appears to have been duly served, and if (i) the
27 State-owned railroad company proves the State-owned railroad
28 company's ownership of an easement, lease, license, right of way,
29 or any other interest in the property at issue; and (ii)
30 defendant fails to prove that defendant's use of the property
31 does not interfere with the property interest owned or held by
32 the State-owned railroad company by a preponderance of the
33 evidence, or in lieu of (i) and (ii) above, the defendant admits
34 the allegations of the complaint, judgment shall be issued by the
35 Clerk that all of the encroachments shall be removed by the
36 defendant from the State-owned railroad company property within
37 fifteen days of the judgment. If the defendant fails to remove
38 the encroachment within the time prescribed in this section, the
39 Clerk may order the sheriff of the relevant county to remove the
40 encroachment or to effect other remedies as directed by the Clerk
41 and all costs for removal shall be taxed upon defendant by the
42 Clerk and paid to the State-owned railroad company.

43 "§ 124-26. Trial by the Clerk of Superior Court.

1 If the defendant, by defendant's answer, denies any material
2 allegation in the complaint, the Clerk of Superior Court shall
3 hear the evidence and give judgment as the Clerk shall find the
4 facts to be.

5 "§ 124-27. Appeal.

6 Upon appeal from a judgment rendered in accordance with G.S.
7 124-25 or G.S. 124-26 to the Superior Court as provided in
8 Article 27A of Chapter 1 of the General Statutes, either party
9 may demand that the case be tried at the first session of the
10 Superior Court after the appeal is docketed. The presiding judge,
11 in the judge's discretion, may first try any pending case in
12 which the rights of the parties or the public demand it. The
13 prescribing judge may order repleading or further pleading by
14 some or all of the parties in accordance with the Rules of Civil
15 Procedure; may try the action on stipulation as to the issue; or
16 may try it on the pleadings as filed. If the case has not been
17 previously continued in Superior Court, the court shall continue
18 the case for an appropriate period of time if any party initiates
19 discovery or files a motion to allow further pleadings as
20 provided in this section, or for summary judgment pursuant to
21 Rule 56 of the Rules of Civil Procedure.

22 During an appeal by defendant from a judgment for the State-
23 owned railroad Company under this Article, a stay of execution of
24 judgment shall not be available to defendant and the State-owned
25 railroad company may proceed with removal of the encroachment in
26 accordance with G.S. 124-25. In the event it is determined,
27 after the exhaustion of all appellate remedies of the State-owned
28 railroad company, that (i) the State-owned railroad company did
29 not possess ownership of an easement, lease, license, right of
30 way, or any other interest in the property at issue, or (ii) the
31 defendant's use of the subject property did not interfere with
32 the property interest owned or held by the State-owned railroad
33 company, the State-owned railroad company shall reimburse
34 defendant for the value of the property removed, determined as of
35 the time of removal, by the State-owned railroad company pursuant
36 a judgment or order issued according to G.S. 124-25 and that
37 reimbursement shall be defendant's sole remedy for the wrongful
38 removal of any encroachment. In lieu of providing the foregoing
39 reimbursement, the State-owned railroad company may elect to
40 condemn the property in accordance with this Article or Chapter
41 40A with the value of the property taken being determined as of
42 the date the judgment was rendered in the hearing before the
43 Clerk pursuant to G.S. 124-26, and the value of the property

1 taken pursuant to the condemnation shall be defendants sole
2 remedy for the wrongful removal of any encroachment."

3 Section 15. Chapter 14 of the General Statutes is
4 amended by adding a new section to read:

5 "§ 14-280.1. Trespassing on railroad right-of-way.

6 (a) Offense.--A person commits the offense of trespassing on
7 railroad right-of-way if he enters and remains on the railroad
8 right-of-way without the consent of the railroad company or the
9 person operating the road.

10 (b) Crossings.--Nothing in this section shall apply to a
11 person crossing the railroad right-of-way at a public or private
12 crossing.

13 (c) Legally abandoned rights-of-way.--This section shall not
14 apply to any right-of-way that has been legally abandoned
15 pursuant to an order of a federal or state agency having
16 jurisdiction over the right-of-way and is not being used for
17 railroad services.

18 (d) Classification.--Trespassing on railroad right-of-way is a
19 Class 2 misdemeanor."

20 Section 16. G.S. 97-13(a) reads as rewritten:

21 "(a) Employees of Certain Railroads. -- This Article shall not
22 apply to railroads or railroad employees nor in any way repeal,
23 amend, alter or affect Article 8 of Chapter 60 or any section
24 thereof relating to the liability of railroads for injuries to
25 employees, nor upon the trial of any action in tort for injuries
26 not coming under the provisions of this Article, shall any
27 provision herein be placed in evidence or be permitted to be
28 argued to the jury. Provided, however, that the foregoing
29 exemption to railroads and railroad employees shall not apply to
30 employees of a State-owned railroad company, as defined in G.S.
31 124-11, or to electric street railroads or employees thereof;
32 and this Article shall apply to electric street railroads and
33 employees thereof and to this extent the provisions of Article 8
34 of Chapter 60 are hereby amended."

35 Section 17. Section 27.25.(k) of S.L. 1999-237 reads as
36 rewritten:

37 "Section 27.25(k) Report. -- The ~~commission~~ Commission shall
38 submit a ~~final~~ interim report to the General Assembly on or
39 before May 1, 2000. The Commission shall submit a final report
40 to the General Assembly by January 15, 2001. Upon filing of the
41 final report, the Commission shall terminate."

42 Section 18. This act becomes effective December 1,
43 2000. Section 14 of this act becomes effective December 1, 2000
44 and applies to offenses occurring on or after that date.

SUMMARY OF PROPOSAL

Section 1 authorizes the NCRR to reorganize into a more tax-favorable corporate structure. The NCRR is currently a for-profit corporation, taxable as a REIT (real estate investment trust). Under current federal law, in approximately five years (or perhaps sooner under proposed federal legislation), NCRR may be converted to a non-profit, tax exempt entity. This conversion may require a transfer of NCRR stock to a State-owned corporation or another form of reorganization under the federal Internal Revenue Code.

Section 2 provides that future dividends of the Railroad (approximately \$11 m/year) would be credited against its obligation to the State resulting from the NCRR buyout (currently about \$42 million). In addition, this section provides that the dividend be used by DOT to improve the NCRR as recommended and approved by the NCRR Board.

Section 3 provides that the interest on the remaining obligation of the NCRR resulting from the buyout will not be charged to the NCRR, and that interest accrued prior to January 1, 2000 will be deemed paid and contributed by the State to the capital of the NCRR.

Section 4 clarifies that Board of Directors of the NCRR will manage its affairs. In addition, this section requires the Board of Directors of NCRR to report annually to the Joint Legislative Commission on Governmental Operations on those matters set forth in G.S. 124-3.

Section 5 repeals an obsolete provision that deemed the State a shareholder in any railroad, canal or other "internal improvement" that it made an appropriation to.

Section 6 modernizes the financial reporting requirements for the NCRR, and requires the report to be made annually to the Joint Legislative Commission on Governmental Operations, and eliminates a criminal penalty for failure to report as required.

Section 7 repeals a obsolete requirement for the Governor to report on canals, railroads, and other internal improvements.

Section 8 authorizes the NCRR to make property transactions, with the approval of the Board. All property transactions would have to be reported annually to the Joint Legislative Commission of Governmental Operations. Current law requires the Governor and the Council of State to approve all NCRR property transactions

Section 9 is a technical redesignation of a group of existing statutes.

Section 10 makes four changes:

- Clarifies the powers of the NCRR to lease or license its property, and construct improvements;

- Grants the NCRR the power to condemn in fee simple, using “quick take condemnation, and limits this power to the existing condemnation powers of RRs under G.S. 40A-3(a)(4); and

- Clarifies that the provisions of this section do not repeal or modify the NCRR charter.

Section 11 clarifies that property owned by a State-owned railroad is presumed to include subsurface and air rights, unless there is clear and unambiguous language to the contrary.

Section 12 amends G.S. 40A-5(a) to prevent condemnation of any property interest held by NCRR by another private or public condemnor unless the State’s consent is obtained. The State may give consent through (i) the Council of State or (ii) the Secretary of Administration if the Council of State delegates that authority to the Secretary of Administration.

Section 13 clarifies the requirement under Chapter 62, Article 9, that any person operating electric power, telegraph, or telephone lines along any railroad must obtain the right to do so by agreement with the railroad or by exercise of the power of eminent domain (not unilaterally and without compensation to the RR). The requirement that any person operating electric power, telegraph, or telephone lines along any railroad must obtain that right by agreement or eminent domain is found in G.S. 62-185. Clarifying and technical changes are also made in this section.

Section 14 provides a new judicial procedure to allow NCRR to summarily seek removal of encroachments found on NCRR property. Under this new procedure, if NCRR believes that an adjoining landowner is encroaching on NCRR property, it can file a “summary removal of encroachment” action with the Clerk of Superior Court. If the Clerk finds that (i) NCRR owns an interest in the subject property and (ii) the encroaching party failed to prove that the encroaching party’s use of NCRR property does not interfere with the property interest owned by NCRR, then the Clerk shall render a judgment that the encroachments be removed from the subject property. A stay of execution during an appeal by the encroaching party to prevent removal of the encroachments is not available to the encroaching party. If the encroaching party ultimately prevails on appeal and removal of the encroachment is found to be improper, two remedies would be available -- NCRR could reimburse the encroaching party for the value of the property removed, or condemn the property and pay just compensation.

Section 15 adds a new criminal trespassing statute making trespass on a RR right-of-way a Class 2 misdemeanor, without the necessity of the railroad posting "no trespassing" signs.

Section 16 brings the NCRR and its employees under the Workers' Compensation Act.

Section 17 authorizes the extension the Future of the NCRR Study Commission until January 15, 2001.

Section 18 provides that that the bill would become effective December 1, 2000, and the misdemeanor trespass section would apply to acts occurring on or after that date.

FUTURE OF THE NC RAILROAD STUDY COMMISSION

1999-2000

S.L. 99-237, Sec. 27.25

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**Authorizing Legislation
Section 27.25 of S.L. 1999-237**

FUTURE OF THE NORTH CAROLINA RAILROAD STUDY COMMISSION

Section 27.25.(a) Commission Established. -- There is established the Future of the North Carolina Railroad Study Commission.

Section 27.25.(b) Membership. -- The Commission shall be composed of 16 members as follows:

- (1) Eight members of the House of Representatives appointed by the Speaker of the House.
- (2) Eight members of the Senate appointed by the President Pro Tempore of the Senate.

Section 27.25.(c) Duties of the Commission. -- The Commission shall study the following matters:

- (1) The appropriate purpose, powers, and governance of the North Carolina Railroad Company.
- (2) Issues important to the future of passenger and freight rail service in North Carolina.

The Commission's study of these and any other matters is not intended and shall not delay the North Carolina Railroad Company's contract negotiations with freight and passenger rail service operators including Research Triangle Regional Public Transportation Authority and Norfolk Southern Railway Company.

Section 27.25.(d) Vacancies. -- Any vacancy on the Commission shall be filled by the appointing authority.

Section 27.25.(e) Cochairs. -- Cochairs of the Commission shall be designated by the Speaker of the House of Representatives and the President Pro Tempore of the Senate from among their respective appointees. The Commission shall meet upon the call of the cochairs.

Section 27.25.(f) Quorum. -- A quorum of the Commission shall be nine members.

Section 27.25.(g) Expenses of Members. -- Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1.

Section 27.25.(h) Staff. -- Adequate staff shall be provided to the Commission by the Legislative Services Office.

Section 27.25.(i) Consultants. -- The Commission may hire consultants to assist with the study. Before expending any funds for a consultant, the Commission shall report to the Joint Legislative Commission on Governmental Operations on the consultant selected, the work products to be provided by the consultant, and the cost of the contract, including an itemization of the cost components.

Section 27.25.(j) Meeting Location. -- The Legislative Services Commission shall grant adequate meeting space to the Commission in the State Legislative Building or the Legislative Office Building.

Section 27.25.(k) Report. -- The commission shall submit a final report to the General Assembly on or before May 1, 2000. Upon filing of the report, the Commission shall terminate.

Section 27.25.(l) Appropriation. -- Of the funds appropriated to the General Assembly, the Legislative Services Commission may allocate up to twenty-five thousand dollars (\$25,000) for the expenses of the Commission.

